

In my view, projects for national communications and related capacity building have as much to do with priming the pump for future investments as do pilot projects to mitigate emissions of greenhouse gases. If they are not properly implemented, the future development of the Convention will be undermined.

There may be occasion for my colleagues and interested delegates to go further into this question, under the appropriate agenda item, and I intend to bring it to the attention of the GEF Council in two weeks time.

The second issue that I would like to flag now is **finance for the core budget of the Convention**. At the last session of the SBI, there was a successful discussion on the programme budget for the next biennium, resulting in a recommendation for adoption by COP 3. At this session, the SBI will consider a report on financial performance. One of the features of this report is information on cash flow. It pains me to say that, as of last Friday, US\$ 3,165,419, equivalent to 23 per cent of contributions for 1996 and 1997, remain outstanding according to our records of receipts. We still await receipts for four of the top 10 contributions to the 1997 budget, amounting to 28.8 per cent of the total due for this year.

We have received some recent indications of the intention to make these payments. Nevertheless, delayed payments put the secretariat and the Convention process in jeopardy. The financial system in place provides that funds available at the end of a biennium are credited to the budget of the next biennium, thus reducing the net contributions due from Parties to the next budget. This provision is intended to deal with residual sums. If, however, we received some 30 per cent of contributions due for this year in its last month, we would not be able to spend that money before the end of the biennium. I am sure this is not the intention behind these delayed payments; it is, nonetheless, their effect. I suggest that the SBI may wish to look into this aspect of the financial procedures during the next biennium.

Meanwhile, I appeal to the Parties concerned to make their contributions while they can still be spent in the current year. I remind them and all other contributors that contributions for 1998 are due on the 1<sup>st</sup> of January. Notices to this effect were issued on 1 October.

Another financial matter of immediate concern is the need for **additional contributions to the trust fund for participation**. The fund is short by some US\$ 550,000 of the amount needed to finance all eligible Parties to send one delegate to Kyoto, with an additional delegate for those that are least developed countries or small island developing countries. I appeal for prompt contributions to enable us to achieve this funding aim.

To end on a more upbeat note, let me turn to the **functioning of the secretariat itself** and inform you that, since the Convention bodies last met, we have been gathering in the fruits of our recruitment drive. Behind me on the podium are five new professional staff members, whom I shall introduce by name. They will be joined in the next months by three more officers. These arrivals provide evidence not only of growing professional competence, but also of desired improvements in geographical and gender balances.